Unit One Short Answer Questions

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| 1. Imagine that a new, high-demand item has been simultaneously introduced into two countries: one with a command economy and one with a pure market economy. Describe how each country would approach production of the item, the likely quality of the resulting product,  and how successful each would likely be at distributing the item. Conclude with an opinion on which system would be preferable, and support your opinion with evidence.​ |

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| 2. ​Compare the individual roles of the government, entrepreneurs, and consumers in a modified free enterprise economy. Describe the benefits of this relationship to each party involved. |

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| 3. ​Describe two countries or societies with two different types of economies and compare how the type of economy affects the answers to the questions of what, how, and for whom to produce in each country. |

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| 4. ​Describe a few of the hurdles an entrepreneur must overcome to be successful in a free enterprise economy. How can some of these hurdles be overcome? |

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| 5. ​Give an example of a country that transitioned to capitalism and briefly describe how and why the process was a struggle. |

**You will need to answer two of these on the Test**